NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED

DRIVER'S LICENSE NUMBER. Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

PAID UP OIL AND GAS LEASE (No Surface Use)

FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR

made thisday ofday of	THIS L
a singk Person	DONK
as Lesson LLC, 2109 Ross Avenue, Suite 1870 Dallas Toxas 75201, as Lessee. All printed portions of this lease were prepared by the part all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee. In bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following specific premises:	whose addre and, <u>DALE</u> P hereinabove 1. In o
D, MORE OR LESS, BEING LOT(S) 3, BLOCK	.353
ADDITION, AN ADDITION TO THE CITY OF ADDITION, AN ADDITION TO THE CITY OF TARRANT COUNTY, TEXAS, ACCORDING TO THAT CERTAIN PLAT RECORDED PAGE U2 OF THE PLAT RECORDS OF TARRANT COUNTY, TEXAS.	OUT OF T FDY+ IN VOLUM
TEXAS, containing • 353 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by a for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon in therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and othe carbon gases. In addition to the above-described leased premises, this lease also covers accretions any small strips or parcels of sor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus is request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose at the reunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.	reversion, pro- substances p commercial g land now or l Lessor agree
-up" loase requiring no rentals, shall be in force for a primary term of FIVE (5) years from the date hereof, and force substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is and to the provisions hereof. The results of the provisions hereof. The results of the results o	as long there otherwise ma 3. Roy separated at

Lessor at the wallhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wallhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casing head gas) and all other substances covered hereby, the royalty shall be THEATH FIVE PERCENT (25 %) of the proceeds realized by Lessee from the sale thereof, less a proportionate part of advalorem laxes and production, severance, or other excise taxes and the costs incurred by Lessee in dolivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands puoled therewith are capable of either producing oil or gas or other substances covered hereby in paying quantities or such well are walls are either cluster from the payer the lease. more wells on the leased premises or lands pooled therewith are capable of either producing oil or gas or other substances covered hereby in paying quantities or such wells are either shut-in or production there from is not being sold by Lessee, such well or wells are either shut-in or production there from is not being sold by Lessee, such well or wells are shut-in or production there from is not being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre then covered by this lease, such payment to be made to Lessor or to Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut-in or production there from is not being sold by Lessee; provided that if this lease is otherwise being maintained by operations, or if production is being sold by Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall be due until the end of the 90-day period next following cossation of such operations or production. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease. terminate this lease.

4. All shut-in royally payments under this lease shall be paid or tendered to Lessor's credit in <u>at lessor's address above</u> or its successors, which shall

4. All shut-in royalty payments under this lease shall be paid or lendered to Lessor's credit in at lessor's address above or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or lenders to Lessor or to the depository by deposit in the US Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should iliquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessoe's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.

5. Except as provided for in Paragraph 3, above, if Lessoe drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries remain in force if Lessoe commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as any one or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as

leased premises for uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no coverant to drill exploratory wells or any additional wells except as expressly provided herein.

6. Leases shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Leasee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 60 acres plus a maximum acreage tolerance of 10%, and for a gas well or an obstance completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barret and "gas well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barret and "gas well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barret and "gas well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barret and "gas well" means a well with an initial gas-oil ratio of exploration test conducted under normal productions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in whi unit formed nereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may lemmate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

7. If Lessor owns loss than the full mineral estate in all or any part of the lessed premises, the royallies and shut-in royallies payable hereunder for any woll on any part of the lessed premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the lessed premises bears to the full mineral estate in such part of the leased promises.

6. The interest of officer Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the

of the interest of carrier teasor of teasor to the parties hereinformary the hasagined, devised of different teasor of the parties hereinformary the interest of carrier than the original of their respective heirs, devised, definitions, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enterging the obligations of Lessoe hereunder, and no change in ownership shall be binding on Lessoe until 60 days after Lessoe has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessoe or until Lessor has satisfied the nutilication requirements contained in Lessoe's usual form of division order. In the event of the death of any person entitled to shul-in royalties hereunder, Lessoe may pay or londer such shul-in royalties to the credit of decedent or decedent's estate in the depository destinated above. If at any time two or more persons are entitled to shul-in royalties hereunder, Lesses may pay or lender such shul-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lesses hausfers its interest hereunder in whole or in part Lesses shall be relieved of all obligations thereafter separately in proportion to the interest which each owns. If Lessed handfars its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest shall not affect the digits of Lessee with respect to the transferred interest shall not affect the digits of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lesse, the obligation to pay or fonder shul-in royallies hereunder shall be divided between Lessee and the transferee in proportion to the ret accepts interest in this lesse then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lesse as to a full or undivided interest in all or any portion of the area covered by this lesse or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in loss than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the not acreage interest relation the relieved of the each covered hereby on the lessed promises or lands product or unitized between the proportion and transfer in all or any portion of the each of the proportional transmitted in a polyton for developing northern and marketing of the each observable or proportion.

n accordance with the not acreage interest retained between the control of the substances covered hereby on the teased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery. Leasen shall have the right of impress and agress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pils, electric and ferephone lines, power stallons, and other facilities deemed necessary by Leasee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any off, gas, water and/or other substances produced on the leased premises, except weter from Leason's wells or prode. In exploring, developing, producing or metaltating from the leased premises or fands pooled therewith, the ancillary rights granted herein shall apply (a) to the entitle leased promises described in Paragraph above, adwithanting any partial release or other partial termination of this lease; and (b) to a premise or other lands used to the results used to the promises below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessen's consent, and Lessee shall pay for damego caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its faitures, equipment and materials, including vell casing, from the leased promises or such other lands, and to commercial timber and growing the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, reg

control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof, Lessee shall not be liable for breach of any express or implied coverants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bonal fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or nill of the substances covered by this lease and covering all or a portion of the lead described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify tessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other perfinent terms and conditions of the offer. Lessee, for a period of lifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No fitigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee witten notice fully describing the breach or default, and then only if Lessee shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination that a breach or default and Lessee fails to do so.

there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lease is given a reasonable time after said judicial determination to remedy the breach or default and Leasee fails to do so.

14. For the same consideration recited above, Leasor hereby grants, assigns and conveys unto Leasers, its successors and assigns, a perpetual subsurface well bore casement under and through the leased premises for the placement of well-brose (along routes selected by Leasee) from oil or gas wells the surface locations of which are altuated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Leaser shall have no right to royalty or other benefit. Such subsurface well-bore easemonts shall run with the land and survive any termination of this lease.

15. Leasor hereby warrants and agrees to defend title conveyed to Leasee hereunder, and agrees that Leasee at Leasee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the loased premises. If J.easee exercises such option, I assee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimbure fleet out of any royalties or shuth royalties otherwise payable to Leaser hereunder. In the event Leasee is made aware of any claim inconsistent with Leaser's title, Leasee may suspend the payment of royalties and shuthr royalties hereunder, without interest, until Leasee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithstanding anything containing to defining or other

Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for driffing or other 10

operations.

17. This lease may be executed in counterparts, each of which is decimed an original and all of which only constitute one original. Of this lease may be executed in cotiniopara, each of which is deemed an original and all of which only constitute the original.

DISCLAIMER OF REPRESENTATIONS: Lease in acknowledges that oil and yas lease payments, in the form of rental, home and royally, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Leasor understands that these lease payments and terms are final and that Leasor entered into this lease without duress or undue influence. Leasor recognizes that lease values could go up or down depending on market conditions. Leasor acknowledges that no representations or assurances were made in the negotiation of this lease that Leasor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to after the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessorsholl and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be bloding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinahove named as Lessor

LESSOR (WHETHER ONE OR MORE) Bv. ACKNOWLEDGMENT STATE OF TEXOS COUNTY OF TOUT this instrument was acknowledged before the on the by: KISHA G. RACKER POLK Notary Public, State of Taxas Notary Public, Stale of TEXCIS My Commission Expires April 15, 2015 (Notary's name (printed): Notary's commission expires: COUNTY OF This instrument was attorowledged before me on the day of

> Notery Public, State of Notary's name (printed) Notary's commission expires:



DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

DO NOT DESTROY WARNING - THIS IS PART OF THE OFFICIAL RECORD.

Filed For Registration:

12/08/2008 01:10 PM

Instrument #:

D208448131

LSE

3 PGS

\$20.00

D208448131

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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